

This Section for DOGM Use:

Assigned DOGM File No.: S 10271110  
DOGM Lead: Tom Munson  
Permit Fee \$ \_\_\_\_\_ Ck # \_\_\_\_\_

*TASK # 1510*

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291 Fax: (801) 359-3940

**NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS**

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

\*\*\*\*\*

**I. GENERAL INFORMATION (Rule R647-3-104)**

1. Name of Mine: High Desert
2. Name of Entity Applying for Permit: GM&S LLC  
Contact (Authorized Officer): Douglas A Smith  
Address: 2480 west 500 North  
City, State, Zip: Delta Utah 84624  
Phone: 435.864.3948 Fax: 435.864.3234  
E-mail Address: coatail@kmission

Entity is a: Corporation ( ) ☒ LLC ☒ Sole Proprietorship (dba) ( )  
Partnership ( ) General \_\_\_\_\_ or \_\_\_\_\_ limited  
Individual ( ) Other ( ) - specify type \_\_\_\_\_

Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations [www.commerce.utah.gov](http://www.commerce.utah.gov).

Are you currently registered to do business in the State of Utah? ☐ Yes ☐ No

Entity # 6153637.0160

Local Business License # 0000382

Issued by: County Millard or City \_\_\_\_\_

Registered Utah Agent (as identified with the Utah Department of Commerce):

Name: Robert T. Martin  
Address: 4283 west 1500 North  
City, State, Zip: Delta Utah 84624  
Phone: 435.864.2541 Fax: NONE  
E-mail Address: \_\_\_\_\_

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DIV. OF OIL, GAS & MINING

3. **Entities Representative (if different from #2)**  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_ NONE  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

4. **If Partnership or Sole Proprietor:**  
**Name of 1<sup>st</sup> partner / Sole Proprietor:**  
Name \_\_\_\_\_  
Address: \_\_\_\_\_ NONE  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

**If Partnership:**  
**Name of 2<sup>nd</sup> Partner:** \_\_\_\_\_  
Address: \_\_\_\_\_ NONE  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

**If Corporation:**  
**Name of Officers:** \_\_\_\_\_ NONE  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Title: \_\_\_\_\_  
Title: \_\_\_\_\_  
Title: \_\_\_\_\_  
Title: \_\_\_\_\_

**If Limited Liability Company:** Member Managed ☒ Manager Managed ☐  
**Name of 1<sup>st</sup> Member/Manager:** \_\_\_\_\_ Douglas A Smith  
Address: \_\_\_\_\_ 2480 West 500 N.  
City, State, Zip: \_\_\_\_\_ Delta Utah 84624  
Phone: 435.864.3948 Fax: 435.864.3234  
E-mail Address: cdatau@XMISSION.COM

**Name of 2<sup>nd</sup> Member/Manager:** \_\_\_\_\_ Robert T. Martin  
Address: \_\_\_\_\_ 4285 West 1500 North  
City, State, Zip: \_\_\_\_\_ Delta Utah 84624  
Phone: 435.864.2541 Fax: NONE  
E-mail Address: bmartin@ENVIRONMENT.COM

**Name of 3<sup>rd</sup> Member/Manager:** \_\_\_\_\_ Ladislao Garcia  
Address: \_\_\_\_\_ 419 Country Club  
City, State, Zip: \_\_\_\_\_ Stansbury Park Utah 84074  
Phone: 623.810.0871 Fax: NONE  
E-mail Address: \_\_\_\_\_ NONE



5. **Ownership of Land Surface:**

Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐  
State Trust Land/School Sections ☐ State Sovereign Lands ☐  
Other (please describe): \_\_\_\_\_

Name \_\_\_\_\_ Address NONE  
Name \_\_\_\_\_ Address \_\_\_\_\_  
Name \_\_\_\_\_ Address \_\_\_\_\_  
Name \_\_\_\_\_ Address \_\_\_\_\_

6. **Ownership of Minerals:**

Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐  
State Trust Land/School Sections ☐ State Sovereign Lands ☐  
Other (please describe): \_\_\_\_\_

Name \_\_\_\_\_ Address NONE  
Name \_\_\_\_\_ Address \_\_\_\_\_  
Name \_\_\_\_\_ Address \_\_\_\_\_  
Name \_\_\_\_\_ Address \_\_\_\_\_

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): \_\_\_\_\_  
NONE as of now

BLM Claim Numbers UMC 381872 UMC 381873

Utah State Lease Number(s): NONE

Name of Lessee(s) NONE

7. **Have the above surface and mineral owners been notified in writing?**

Yes ☒ No ☐

If no, why not? \_\_\_\_\_  
\_\_\_\_\_

*Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration **prior** to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.*

8. **Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice?** Yes ☒ No ☐

II. **PROJECT LOCATION & MAP** (Rule R647-3-105)

1. **Project Location** (legal description): see attached

County(ies): Millard

\_\_\_\_ 1/4, of \_\_\_\_ 1/4, of \_\_\_\_ 1/4: Section: \_\_\_\_ Township: \_\_\_\_ Range: \_\_\_\_  
\_\_\_\_ 1/4, of \_\_\_\_ 1/4, of \_\_\_\_ 1/4: Section: \_\_\_\_ Township: \_\_\_\_ Range: \_\_\_\_  
\_\_\_\_ 1/4, of \_\_\_\_ 1/4, of \_\_\_\_ 1/4: Section: \_\_\_\_ Township: \_\_\_\_ Range: \_\_\_\_

UTM East Not known (if known) UTM North Not known (if known)

Name of Quad Map for Location: Little Drum Pass (included)

2. An accurate topographic base map showing the location of the proposed small mining operation must be submitted with this notice. The areas to be disturbed including access roads, must be plotted in sufficient detail so that they can be located on the ground. It is recommended that the Permittee / Operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.
3. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) **should** be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. **OPERATION PLAN** (Rule R647-3-106)

1. **Type of mining:** Surface ☒ Underground ☐

2. **Mineral(s) to be mined:** Platinum Group Metals

3. **Amount of material to be extracted, moved or proposed to be moved:** 10,000 tons

4. **Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?**  
Yes ☐ No ☒ If yes, please describe (add extra pages if needed)  
NONE

5. **Provide a brief description of the proposed mining operation and onsite processing facilities** (add extra pages if necessary). see attached

6. ☐ **New Road(s):** Length NONE (ft) Width \_\_\_\_\_ (ft)

7. ☐ **Improved Road(s):** Length NONE (ft) Width \_\_\_\_\_ (ft)



**Sec II 1.**

**1. Legal Description**

**High desert #1**

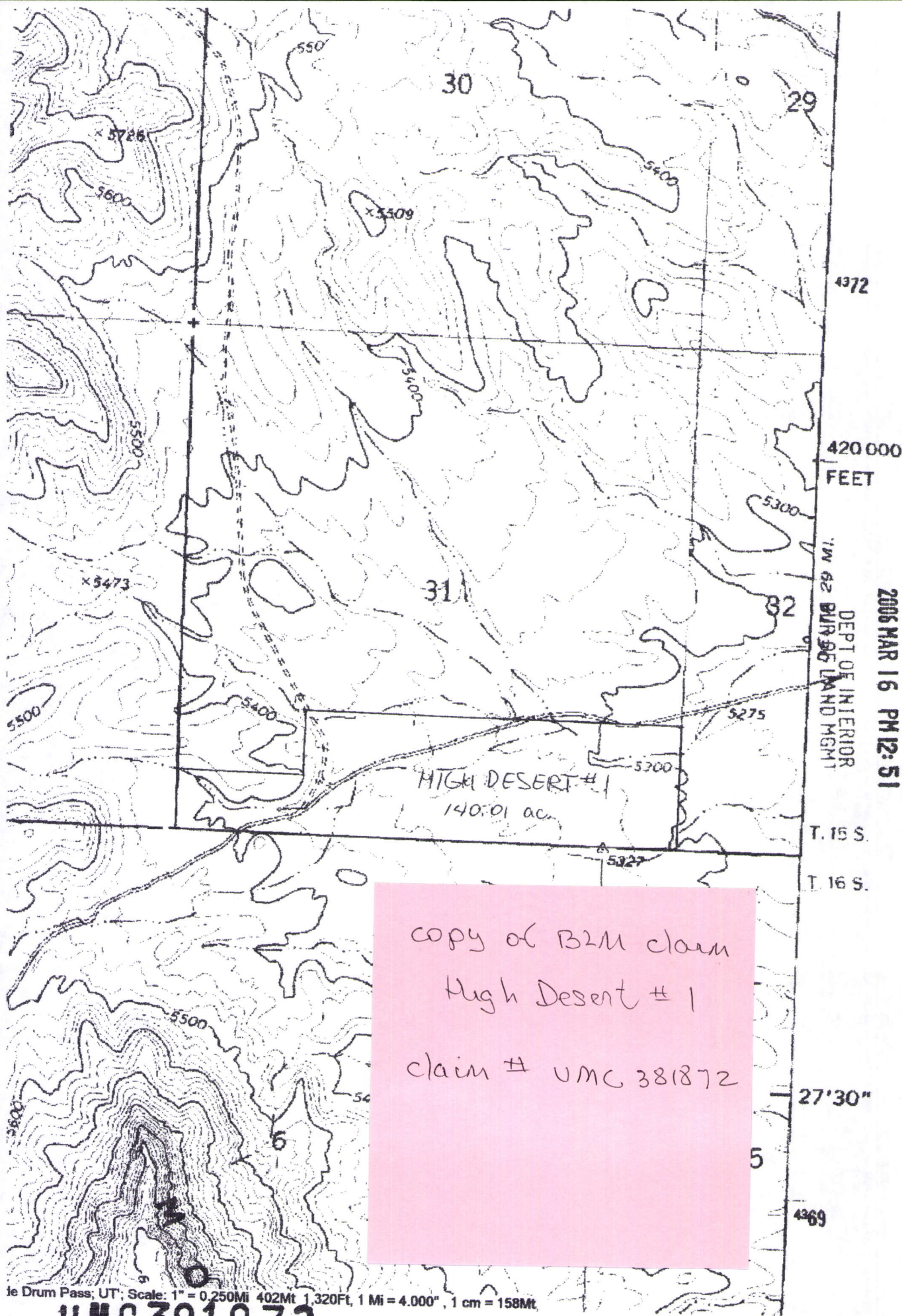
**The S  $\frac{1}{2}$  of the SE  $\frac{1}{4}$ , the SE  $\frac{1}{4}$  of the SW  $\frac{1}{4}$  and the S  $\frac{1}{2}$  of lot #4  
all in sec. 31**

**T 15 S, R 10 W, SLB &M.**

**High Desert #2**

**The S  $\frac{1}{2}$  of the SW  $\frac{1}{4}$  of lot #2, lot #3, lot #4 the SE  $\frac{1}{4}$  of lot #5,  
the NE  $\frac{1}{4}$  of lot #6, the NW  $\frac{1}{4}$  of lot #7, lot #9 and the NW  $\frac{1}{4}$  of lot  
#10, all in sec 6**

**T 16 S, R 10 W, SLB&M**



UTAH STATE OFFICE  
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ACCOUNTS UNIT

2006 MAR 16 PM 12:51

DEPT OF INTERIOR  
BUREAU OF LAND MGMT

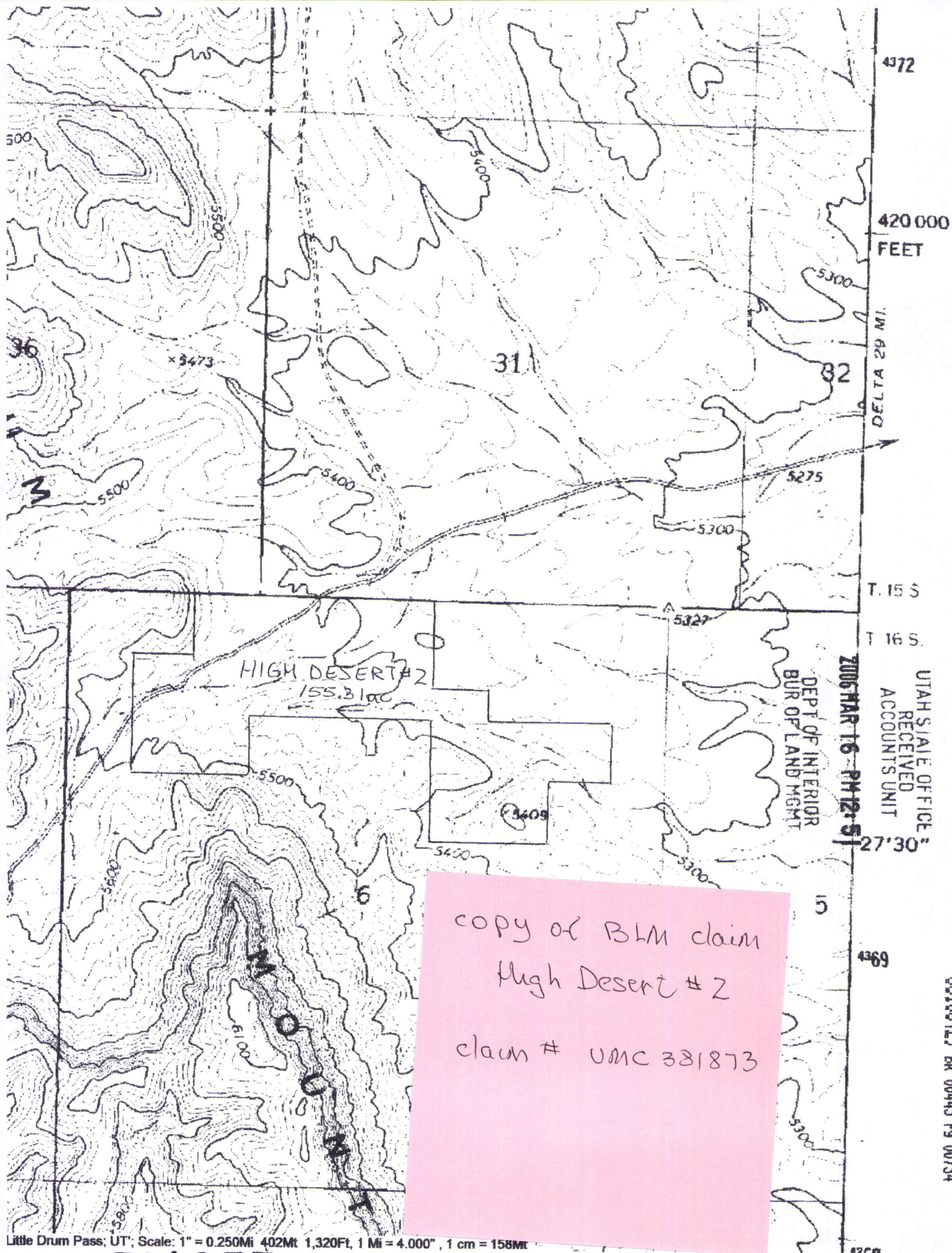
00155243 BK 00445 Pg 00240

copy of B2M claim  
High Desert #1  
claim # UMC 381872

le Drum Pass, UT; Scale: 1" = 0.250Mi 402Mt 1,320Ft, 1 Mi = 4,000", 1 cm = 158Mt

UMC 381872



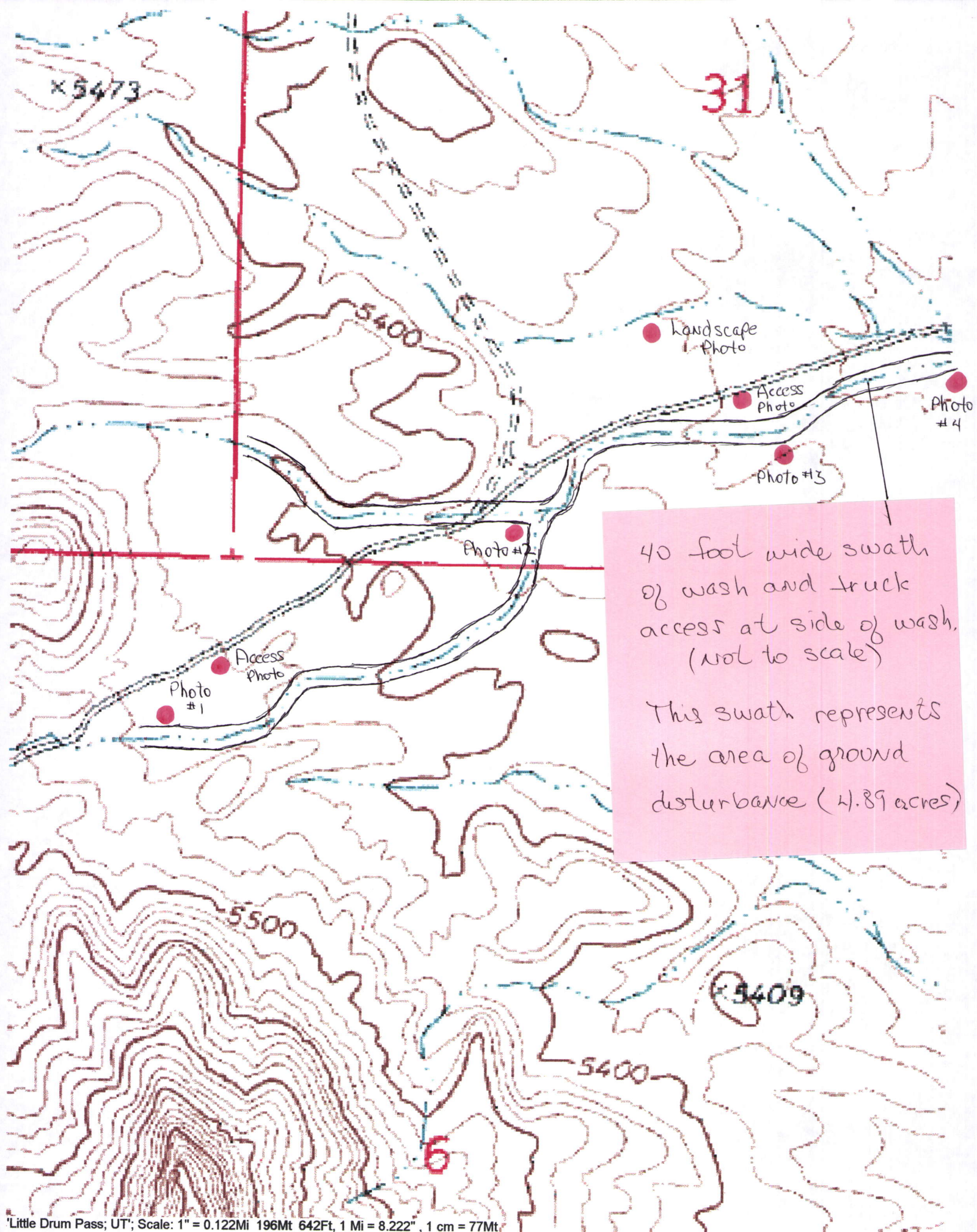


Little Drum Pass, UT; Scale: 1" = 0.250Mi 402Mt 1,320Ft, 1 Mi = 4,000", 1 cm = 158Mt

UMC 381873

00155429 BK 00445 Pg 00734





40 foot wide swath  
of wash and truck  
access at side of wash,  
(not to scale)

This swath represents  
the area of ground  
disturbance (4.89 acres)



Sec III 5.

Our mining operation consists of the extraction of the sand and gravel from the dry-washes within the boundaries of our mining claim. The valuable PGM minerals are contained in the sand and gravel as micro particles. The washes are, on average, 16 feet wide; and the sand and gravel (ore) is from three to six feet deep. (I have enclosed photographs for your review.) The ore will be dug from the wash with backhoe type equipment and loaded directly into a truck at the side of the wash. The ore will then be hauled to Delta, Utah where it will be screened. The screened material containing the PGM minerals will then be hauled to Centerville, Utah where our concentrating plant is located. There will be no onsite processing facilities.

The terrain at the claim site is relatively flat and very sparsely vegetated. No new roads will need to be created as access can be a short distant cross country path from the main country road to the wash and along the wash for the filling of the truck and then another short distant cross country path back to the main road. We recognize that there will be some access disturbance to the land, and that the disturbance will be reclaimed. We also recognize that by digging down from three to six feet in the wash, we will create a high wall on both sides of the wash. We will stabilize the high wall by back filling and rounding to 45 degrees or less, and reshape the land to near its original contour. It would then be ready for reseeding.

We will not use any explosives, do any blasting, or create any toxic materials. We also will not dig any shafts or tunnels and will not do any drilling, and therefore have no

drill holes to plug. There is no topsoil nor any overburden as the ore in the wash is from the surface down. In the wash where the digging will be done there is very little vegetation. (See photographs)

Our surface disturbance is calculated to be 4.89 acres. That assumes a 40 foot wide swath along the wash which includes a 20 feet (approx.) width of the wash and a 20 foot width for truck access along the wash for .9 miles of wash, and .5 acres for cross country access to and from the main county road.



8. Total project surface acreage to be disturbed: 4.89 (acres) PLEASE SPECIFY EXACT ACREAGE - (this will be used to determine surety bond amount - see #VI).
9. Proposed startup date of project (month, year) August 15, 2006
10. Proposed completion date of project, if known (month, year) ON going

**IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)**

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at [www.ogm.ut.gov](http://www.ogm.ut.gov).

1. Keep the mining operation in a safe, clean, and environmentally stable condition.
2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
6. Remove all waste or debris from stream channels.
7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
8. Conduct mining activities so as to minimize erosion and control sediment.
9. Reclaim all roads that are not part of a permanent transportation system.
10. Stockpile topsoil and suitable overburden prior to mining.
11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
12. Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
13. Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
14. Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.

**V. VARIANCE REQUEST (Rule R647-3-110)**

Any variance request must be approved in writing by the Division

Yes ☐ No ☒

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see IV. Operation and Reclamation Practices Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measure to be utilized. A variance shall be granted if the alternative method or measure proposed will be consistent with the Act.

1<sup>st</sup> Variance Requested

Item # \_\_\_\_\_ NONE \_\_\_\_\_  
Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed))  
Justification: \_\_\_\_\_  
Alternate methods or measure to be utilized: \_\_\_\_\_  
\_\_\_\_\_

2<sup>nd</sup> Variance Requested

Item # \_\_\_\_\_ NONE \_\_\_\_\_  
Applicable Rule #  
Justification: \_\_\_\_\_  
Alternate methods or measure to be utilized: \_\_\_\_\_  
\_\_\_\_\_

3<sup>rd</sup> Variance Requested

Item # \_\_\_\_\_ NONE \_\_\_\_\_  
Applicable Rule #  
Justification: \_\_\_\_\_  
Alternate methods or measure to be utilized: \_\_\_\_\_  
\_\_\_\_\_

Attach additional page if more variances are requested.

VI. **SURETY** (Act 40-8-7(1)(c))

**A reclamation contract and surety must be provided to and approved by the Division prior to commencement of operations.**

The Utah Mined Land Reclamation Act (40-8-7 (1)(c) and 40-8-14 provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed according to accepted *notices* consistent with on-site conditions.

The surety amount is based on the nature, extent and duration of operations. *The surety amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions.*

Surety for small mines sites will be escalated three (3) years to the future. Contact the Division for dollar amount required for this project.

I have provided or will provide surety in the form of:  
☒ Certificate of Deposit    ☐ Letter of Credit    ☐ Surety Bond    ☐ Cash (certified funds)  
☐ Other \_\_\_\_\_ (please identify)

VII. **PERMIT FEE** [Mined Land Reclamation Act 40-8-7(1)(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.



**Small Mine Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.**

**NOTICE:** The following person(s) are authorized and designated to receive Notices of Violations, Cessation Orders and all other Notices required by the Division to be given to the permittee or operator:

Name: Douglas A Smith  
Address: 2480 West 500 North  
City, State, Zip: Delta Utah 84624  
Phone: 435.864.3948 Fax: 435.864.3234  
E-mail Address: Coatail@XMISSION.COM

Name: Robert T. Martin  
Address: 4283 West 1500 North  
City, State, Zip: Delta Utah 84624  
Phone: 435.864.2541 Fax: NONE  
E-mail Address: bmartin@envirowork.com

#### **VIII. SIGNATURE REQUIREMENT**

(Please check the box and place your initials on the line provided)

- ☐ I have enclosed the required permit fee.
- ☐ I have enclosed a complete Reclamation Contract (Form MR-RC) and the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.
- DAS ☒ I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

#### **CERTIFICATION**

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

- I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
- I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
- This certification must be executed by an executive officer if the applicant is a corporation; by a partner if applicant is a partnership (general or limited); owner if applicant is a sole proprietorship; member or manager if applicant is a limited liability company.

Signature: Douglas A Smith Date: 8.7.06  
Name (typed or printed): DOUGLAS A SMITH  
Title/Position (if applicable): \_\_\_\_\_

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